



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Administration Committee

DATE: May 6, 2009

FR: Executive Director

W.I.:

RE: Investment Report for March 2009

In accordance with the adopted investment policy, attached are the comprehensive investment holdings for MTC and all operating units.

Total funds under MTC management are just over \$2.7 billion. A breakdown by fund is as follows:

<u>Fund</u>	<u>Balance (\$ million)</u>	<u>% of Total</u>
BATA RM1*	\$ 1094.1	40.0%
BATA Debt Service Reserve	269.2	9.8%
BATA Seismic	646.2	23.6%
BATA Trustee Funds	100.6	3.7%
BATA 2007 Bond Proceeds	30.3	1.1%
BATA RM2	145.2	5.3%
BAIFA	153.2	5.6%
MTC	175.8	6.4%
FasTrak® (Customer Deposits)	45.0	1.6%
BART Car Exchange Program	64.6	2.4%
SAFE	11.9	0.4%
RAFC	1.9	0.1%
Portfolio Total	<u>\$ 2,738.0</u>	<u>100.0%</u>

*includes rehab, reserves, capital

The Bay Area Infrastructure Financing Authority (BAIFA) funds are held in trust for both project and reserve funds that will be used for seismic retrofit purposes. The BART Car Exchange fund is held in trust for future replacement of BART cars.

The portfolio consists mainly of Government Sponsored Enterprises (GSEs). The portfolio breakdown is as follows:

<u>Security Holding</u>	<u>Portfolio Composite</u>	<u>Policy Limits</u>
Fed Home Loan Bank	25.4%	No limit
Fed Home Loan Mortgage	28.2%	No limit
Fed National Mortgage Association	1.6%	No limit
Fed Farm Credit Bank	0.9%	No limit
Tennessee Valley Auth	0.4%	No limit
Cash	4.6%	No limit
Gov't Pools	0.1%	No limit
CA Asset Mgmt Program (CAMP)	8.4%	No limit
Municipal Bonds	17.4%	No limit
Mutual Funds	5.8%	20% Portfolio/10% One Fund
Blackrock (BATA Trustee)	4.8%	Trustee Funds – No limit
Goldman Sachs (BAIFA)	2.4%	Trustee Funds – No limit
Portfolio Total	100.0%	

Funds held by trustee are subject to permitted investments authorized in the approved issuing documents and are not subject to mutual fund limits as defined in the MTC Investment Policy.

The MTC portfolio holds \$210.2 million in variable rate demand bonds (VRDOs) issued by various California local agencies. The VRDOs are recognized as short term investments (30 days) for accounting classification purposes even though the various securities have maturities up to 30 years. The classification as short term investments is possible because VRDOs have “liquidity instruments” that allow the bonds to be “put” to the liquidity bank at any time with seven days notice.

BAIFA and BATA have recently added the following VRDOs to their investment holdings:

- Los Angeles CA Department of Water and Power
\$10.0 million/uninsured
Underlying ratings AA-/AA-/ Aa3
Helaba liquidity (A1/P1)

If there are any questions, please contact Brian Mayhew at (510) 817-5730.

Steve Heminger

SH:SW